

POSTAL SERVICE

International Commercial Pricing Incentives

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising Mailing Standards of the United States Postal Service, International Mail Manual (IMM®) to reflect the addition of commercial base pricing and commercial volume pricing incentives for Express Mail International® and Priority Mail International®.

EFFECTIVE DATE: May 12, 2008.

FOR FURTHER INFORMATION CONTACT: Obataiye Akinwole at 703-292-5260 or Christy Bonning at 202-268-2108.

SUPPLEMENTARY INFORMATION: The Postal Accountability and Enhancement Act (Postal Act of 2006) gives the Postal Service increased flexibility in pricing, product enhancements, and product introductions. Described here are the price incentives and changes in international mailing standards.

- **Express Mail International**

Commercial base postage prices will be 8 percent below retail prices for customers using USPS–provided Global Shipping Software (GSS) with a manifested permit imprint mailing paid through an advance deposit account or Express Mail Corporate Account (EMCA).

Those who qualify for the commercial base prices by paying for postage through their EMCA, and whose Express Mail International volume or postage exceeds minimum thresholds, will be eligible for commercial volume price incentives.

Also, customers who mail more than 5,000 Express Mail International pieces a year may be eligible for customized agreements for commercial volume price incentives.

The current price incentives for payment of postage online for Express Mail International will not change.

- **Priority Mail International**

Commercial base postage prices will be 5 percent below retail prices for customers using a permit imprint and USPS–provided Global Shipping Software (GSS).

Customers who mail more than 5,000 Priority Mail International pieces a year may be eligible for customized agreements for commercial volume price incentives.

The current price incentives for payment of postage online for Priority Mail International will not change.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 20.

List of Subjects in 39 CFR Part 20

Foreign relations, International postal services.

Accordingly, 39 CFR Part 20 is amended as follows:

PART 20 – [AMENDED]

1. The authority citation for 39 CFR Part 20 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 401, 404, 407, 408, 3622, 3632, and 3633.

2. Revise the following sections of *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM) as follows:

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2 Conditions for Mailing

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[Revise 220 by changing the word “rate(s)” to “price(s). Exception: Do not change flat-rate box(es) or flat-rate envelope(s). Also change the word “discount(s)” to “incentive(s)”.]

220 Express Mail International

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222 Postage

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[Renumber current 222.12 and 222.13 as 222.13 and 222.14. Add new 222.12 and 222.121 as follows:]

222.12 Permit Imprint

Payment for Express Mail International by permit imprint through an advance deposit account is allowed only when guidelines for commercial base price incentives (see 222.121) are followed.

222.121 Permit Imprint - Commercial Base Prices

Express Mail International commercial base postage prices will be 8 percent

below retail prices for all postage paid with permit imprint. The commercial base price incentive applies only to the postage portion of Express Mail International prices. It does not apply to any other charges or fees, such as Pickup on Demand service, additional merchandise insurance coverage, or shipments made under a customized agreement.

To receive this commercial base price incentive, customers must:

- a. Use USPS–provided Global Shipping Software (GSS), and
- b. Pay for postage with a permit imprint through an advance deposit account or an Express Mail Corporate Account (see 222.13), and
- c. Meet manifesting and permit imprint requirements.
- d.

Postage paid with permit imprint is subject to the general conditions in IMM 152.3 and DMM 124, 604, and 705. Express Mail International using a permit imprint does not qualify for existing service and postage guarantees. Customers who mail more than 5,000 Express Mail International pieces a year should contact the Postal Service to discuss customized agreements for commercial volume price incentives (see 297).

[Revise heading and text of renumbered 222.13 as follows:]

222.13 Express Mail Corporate Account

A written application is required prior to mailing with an Express Mail corporate account (see DMM 114).

222.131 Express Mail Corporate Account - Commercial Prices

Express Mail International commercial prices will be 8 percent, 10 percent, or 12 percent below retail prices for postage paid directly through an Express Mail corporate account (EMCA) as shown in Exhibit 222.131. There is no minimum volume requirement to receive the 8 percent incentive. The commercial base price incentive and the commercial volume price incentives apply only to the postage portion of Express Mail International prices. They do not apply to any other charges or fees, such as Pickup on Demand service, additional merchandise insurance coverage, or shipments made under a customized agreement. To receive commercial price incentives on postage, customers must use USPS–provided Global Shipping Software (GSS). Incentives will be applied to each mailing. See 222.132.

[Add new Exhibit 222.131 as follows:]

Exhibit 222.131**Express Mail Corporate Account Volume/Revenue Requirements**

Annual Volume or Annual Postage		Commercial Base Price Incentive	Commercial Volume Price Incentive
No minimum	No minimum	8%	
1,000–2,999 pieces	\$20,000–\$59,999		10%
3,000 pieces and above	\$60,000 and above		12%

[Add new 222.132 as follows:]

222.132 Application of Commercial Volume Price Incentive

A customer will receive an incentive of 8 percent during the first postal quarter of the initial mailing and through the subsequent full postal quarter. Thereafter, the incentive for each postal quarter will be determined by the actual annualized volume of Express Mail International mailed in the previous full postal quarter or the actual annualized amount of postage paid for Express Mail International in the previous full postal quarter, whichever is higher.

222.14 Online Prices – General

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[Revise header of 222.141 as follows:]

222.141 Eligibility for Online Prices

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[Revise header of 222.142 as follows:]

222.142 Online Prices

[Delete the last sentence in the paragraph and replace as follows:]

*** It does not apply to any other charges or fees, such as Pickup on Demand service, additional merchandise insurance coverage, or shipments made under a customized agreement.

222.2 Payment of Postage**222.21 Methods of Payment**

[Revise the text in 222.21 as follows:]

Express Mail International may be paid by postage stamps, postage validation imprinter (PVI) labels, postage meter stamps, information-based indicia (IBI), PC Postage, through the use of an Express Mail corporate account, or with permit imprint under 222.12.

[Delete 222.22 in its entirety.]

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230 Priority Mail International

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[Revise 234 by changing the word “rate(s)” to “price(s). Exception: Do not change flat-rate box(es) or flat-rate envelope(s). Also change the word “discount(s)” to “incentive(s)”.]

234 Priority Mail International Parcels

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[Delete 234.7.]

[Renumber current sections 235 and 236 as 236 and 237 respectively. Add new section 235 as follows:]

235 Postage

235.1 Payment of Postage

235.11 Methods of Payment

Priority Mail International may be paid by postage stamps, postage validation imprinter (PVI) labels, postage meter stamps, information-based indicia (IBI), PC Postage, or permit imprint.

235.2 Prices

235.21 Permit Imprint - Commercial Base Prices

Priority Mail International commercial base prices for postage paid with permit imprint will be 5 percent below retail prices. The commercial base price incentive applies only to the postage portion of Priority Mail International prices. It does not apply to any other charges or fees, such as Pickup on Demand service, insured fees, or shipments made under a customized agreement. To receive the commercial base price incentive on postage, customers must use USPS–provided Global Shipping Software (GSS). Postage paid with permit imprint is subject to the general conditions in IMM 152.3 and DMM 124, 604, and 705. Customers who mail more than 5,000 Priority Mail International pieces a year should contact the Postal Service to discuss customized agreements for commercial volume price incentives (see 297).

235.22 Online Prices

Transactions for Priority Mail International conducted on Click-N-Ship or through an authorized PC Postage vendor will be 5 percent below retail prices. The incentive applies only to the postage portion of Priority Mail International prices. It does not apply to any other charges or fees, such as Pickup on Demand service, insured fees, or shipments made under a customized agreement.

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290 Commercial Services

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[Revise 293 by changing the word “rate(s)” to “price(s). Exception: Do not change flat-rate box(es) or flat-rate envelope(s). Also change the word “discount(s)” to “incentive(s)”.]

293 International Surface Air Lift (ISAL) Service

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293.2 Qualifying Mail and Minimum Quantity Requirements

[Revise the second sentence of 293.2 as follows:]

There is a minimum volume requirement of 50 pounds per mailing.

[Revise the last sentence in 293.2 by removing the words “Direct Shipment”]

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293.7 Postage

293.71 Prices

[Revise tables in 293.71 as follows:]

Exhibit 293.71a **International Surface Airlift (ISAL)**

[Insert new price table.]

Exhibit 293.71b **International Surface Air Lift M-Bag – Full Service**

[Insert new price table.]

Exhibit 293.71c **International Surface Air Lift M- Bag – ISC Drop Shipment**

[Insert new price table.]

[Rename and renumber current Exhibit 293.71 as follows:]

Exhibit 293.71d (Sheet 1 of 3) **International Surface Air Lift Service Network Countries and Prices**

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[Rename “Rate Group” column as “Price Group”.]

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[Revise the text of 293.73 as follows:]

293.73 Direct Shipment Prices

Direct shipment prices are available only through a customized agreement (see 297).

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[Revise section 297 as follows:]

297 Customized Agreements

297.1 Description

The Postal Service provides customized service for international mailings only for customers pursuant to the terms and conditions stipulated in a customized agreement between the Postal Service and a particular customer.

297.2 Qualifying Mailers

To qualify for customized service, a mailer must be capable, on an annualized basis, of either tendering at least 5,000 pieces of international mail to the Postal Service or paying at least \$100,000 in international postage to the Postal Service.

297.3 Criteria

Each customized agreement for international mailings must set forth the following:

- a. The type of mail to be tendered by the mailer.
- b. The term of the agreement.
- c. Weight and size limits.
- d. Preparation requirements.
- e. Makeup requirements.
- f. The services to be provided by the Postal Service.
- g. Minimum volume or postage commitment on the part of the mailer.
- h. Postage and method of payment.
- i. The location at which the mailer is required to tender its items to the Postal Service.
- j. Any other obligations of either party.

[Delete 297.4]

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Neva R. Watson,
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